

AmerenCILCO's, AmerenCIPS', and AmerenIP's
Response to
Coalition of Energy Suppliers (CES) Data Requests
ICC Docket No. 07-0539
Approval of Energy Efficiency and Demand Response Plan

CES 1.01 Please explain in detail the proposed cost allocation and the methodology by which Ameren will recover its costs associated with the demand response program for each customer class, as to both program costs and associated administrative costs. Please provide all documents relied upon in responding to this request.

Response: Objection, the terms "in detail" are vague, and ambiguous. Therefore, the question constitutes improper discovery. Without waiving right to assert the objection later, Ameren provides the following response:

Pursuant to recently enacted energy efficiency legislation, "a utility providing approved energy efficiency and demand-response measures in the State shall be permitted to recover costs of those measures through an automatic adjustment clause tariff filed with and approved by the Commission. The tariff shall be established outside the context of a general rate case. Each year the Commission shall initiate a review to reconcile any amounts collected with the actual costs and to determine the required adjustment to the annual tariff factor to match annual expenditures."

"Each utility shall include, in its recovery of costs, the costs estimated for both the utility's and the Department's (Illinois Department of Commerce and Economic Opportunity - "DCEO") implementation of energy efficiency and demand-response measures."

It also states in the law that "Illinois electric utilities that are affiliated by virtue of a common parent company are considered a single electric utility." Thus the determination for the annual tariff factor is done as a single electric utility for the Ameren Illinois Utilities.

The initial calculation for Rider EDR would be the Ameren Illinois Utilities (CILCO, CIPS and IP) Projected Costs (Projected Costs represents the amount of the approved Energy Efficiency program costs, fees and charges including the approved Energy Efficiency program costs for DCEO plus Demand Response program costs, fees and charges to be recovered during the Effective Period) divided by Projected Energy (Projected Energy, in kWh, represents the forecasted deliveries of energy by the Ameren Illinois Utilities to the applicable Retail Customers during the Effective Period). One annual rate (EDR Charge) is developed for all

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the Ameren Illinois Utilities and tracked at the Ameren Illinois Utilities level so the rate cap is not exceeded. Adjustments may be made to the rate if needed so as not to exceed the rate cap. All Delivery Service customers will see the charge on their monthly bill as a separate line item.

A tracking account is being set up to track all energy efficiency and demand response activities for the Ameren Illinois Utilities.

A reconciliation report will be filed annually and any under-recovery and carrying charges would be rolled into the next year's EDR Charge.

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